

S/027/0120  
c: Peter



## United States Department of the Interior

### BUREAU OF LAND MANAGEMENT

Fillmore Field Office

95 East 500 North

Fillmore, UT 84631

<http://www.blm.gov/ut/st/en/fo/fillmore.html>



IN REPLY REFER TO:  
3600 (UTW02000)  
UTU-89799

May 5, 2014

RECEIVED  
MAY 09 2014  
DIV. OF OIL, GAS & MINING

CERTIFIED MAIL #7012 3460 0000 6633 1486  
RETURN RECEIPT REQUESTED

Mr. Steele Weston  
Production Operations Manager  
StoneCover LLC  
194 North 1000 West  
Delta, Utah 84624

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43 CFR 3600 – Mineral Materials

Mr. Weston:

Your Negotiated Mineral Material Sale at the StoneCover Quarry location has been assigned BLM case file number UTU-89799. Please refer to this number in future communication concerning the Negotiated Sale. The sale is for 45,000 cubic yards (yd<sup>3</sup>) of broken clay shale, to be removed over five years, and allows up to one acre of surface disturbance in Township 17 South, Range 13 West, in W<sup>1</sup>/<sub>2</sub> NW<sup>1</sup>/<sub>4</sub> of section 24. This Negotiated Sale is permitted through the Utah Division of Oil, Gas, and Mining (UDOGM) as a Small Mine under their case file number S/027/0120.

The Mineral Materials Contract, BLM serial number UTU-89799, for the StoneCover Quarry location is enclosed, along with contract stipulations, with this letter. Please fill in the purchaser information, sign and date the contract. In order for the contract to take effect you must return the contract for signature by the Authorized Officer, submit the required performance bond, the first installment or payment in full, and a Mineral Material Waiver (enclosed). Please submit the signed contract and payment to the Fillmore Field Office at 95 East 500 North, Fillmore, Utah, 84631. Once the required performance bond has been accepted, the Authorized Officer will sign and date the permit and return a copy of the permit for your files. The permit will expire five years from the date of the Authorized Officer's signature or at the time the contracted amount of material has been removed.

Purchase Price – The price of the broken clay shale material from the site has appraised and approved at \$2.00/cubic yard (yd<sup>3</sup>) by the BLM Utah State Office on April 24, 2014. The full purchase price for 45,000 yd<sup>3</sup> from the StoneCover Quarry site is therefore \$90,000.00. If you

choose to make installment payments, the first payment must be a minimum of \$4,500.00, or 5 percent of the full purchase amount, and you will be responsible for payment of the full contract amount, whether or not you remove the full 45,000 yd<sup>3</sup>.

Amount of Financial Guarantee – This office has calculated a reclamation cost estimate, and consulted with UDOGM to determine the financial guarantee. BLM has determined that the amount of \$9,400 is sufficient to meet all anticipated reclamation requirements for one acre of surface disturbance at the site. The amount of the reclamation cost estimate is based on operator compliance with all applicable operating and reclamation requirements.

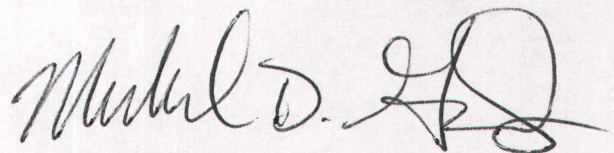
BLM's decision concerning the amount of the required financial guarantee does not relieve you, the operator, of your responsibility to be in compliance with all applicable Federal, State and local laws and regulations, and to obtain all applicable Federal, State and local authorizations and permits. You are responsible for preventing any damage to public lands and resources, and for reclaiming all lands disturbed by your operations.

Required Purchase Price and Financial Guarantee – A financial guarantee, or reclamation bond, in the amount of \$9,400.00 must be filed and accepted by the UDOGM or the Utah State Office of the BLM, 440 East 200 South, Suite 500, Salt Lake City, Utah 84145-0155. UDOGM accepted a bond in that amount for this project on July 17, 2013. Please contact Opie Abeyta, Land Law Examiner at the BLM Utah State Office in Salt Lake City, at (801) 539-4123 for further information on the adjudication of your financial guarantee, or reclamation bond.

You must also submit the purchase price of \$90,000.00 to the BLM Utah State Office before you may continue surface disturbing operations and shale removal. If you choose to make installment payments, the first payment must be a minimum of \$4,500.00. You must not remove more material than you have paid for at any given time. If you choose not to remove the full purchased amount, you will still be responsible for payment of the full purchase price. You will be responsible for payment of the contract amount in full before the full amount of material may be removed.

If you have any questions about your negotiated sale or site reclamation, please contact Duane Bays, Fillmore Field Office Natural Resource Specialist, at (435) 743-3115.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Gates", followed by a stylized flourish or second signature.

Michael D. Gates  
Field Manager

Enclosures:  
Mineral Material Sale Contract with stipulations

cc:

Paul Baker

UDOGM

1594 W North Temple Ste 1210

Salt Lake City, UT 84114

Utah State Office/ BLM

440 West 200 South, Suite 500

Salt Lake City, UT 84101-1345